

March 30, 1964

25X1A

To: [REDACTED]

Subject: J75 Conversion Article #349 SP-1926

Reference: Your TWX 5271, dated 4-17-64 - *filed in Prop Sec*

25X1A

Paragraph three of your reference TWX indicates that you feel that [REDACTED] is high for the work involved. Your basis is a comparison with the cost to convert articles 356 and 350.

Attached are work sheets comparing our actual experience in the conversion of article 356 less repairs and our proposal for article 349. You will notice that if you reduce our proposal by the anticipated price of two extra sets of parts the actual difference between these two articles is [REDACTED] Approximately 82% of this is due to labor rate and material cost increases. The balance represents a slight increase in our labor hour estimates.

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25X1A [REDACTED]

*Orig + 1*

*1 cy to MD/O-5A*